

ABSTRACT OF THE INVENTION

A third-party billing system and method permits consumers to conduct e-commerce transactions (including microtransactions) securely and anonymously by providing billing and personal information to the third party billing system rather than to merchants. A consumer initiates a transaction by placing an order for a product. The consumer then authorizes the transaction by transmitting an authorization code to a billing computer. The authorization code identifies the consumer billing account to which the transaction is to be charged. The authorization code can also authenticate the consumer through use of a PIN. Multiple consumers can charge transactions to one billing account, in which case each consumer can be assigned a different PIN with restrictions that limit that consumer's use of the account. The billing computer then verifies the authorization code and transmits an approval code to the merchant computer. To fulfill the transaction, the consumer sends a fulfillment request and a consumer identifier to the merchant computer. The consumer identifier can be anonymous, meaning that it identifies only the destination to which the product is to be delivered. If that consumer identifier matches a second consumer identifier that the consumer sends to the billing computer, the merchant computer then delivers the product to the consumer. The billing computer can charge the transaction to the consumer billing account directly, or it can aggregate the transaction for later charging of an aggregated total. The billing computer can also obtain a charge pre-authorization to ensure that the billing account can accommodate the charging of aggregated transactions.